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SEC. OF STATE

INITIATIVE PETITION TO THE SECRETARY OF STATE STATE OF NORTH DAKOTA

We, the undersigned, being qualified electors request the following initiated law be placed on the ballot as provided by law.

SPONSORING COMMITTEE

The following are the names and addresses of the qualified electors of the state of North Dakota who, as the sponsoring committee for the petitioners, represent and act for the petitioners in accordance with law:

| 0 | | |
|------------------------------|-----------------------------|-------------------------------|
| Stephen E. Adair, Chair | Susan E. Wefald | Clay S. Jenkinson |
| 1009 Cottage Dr | 312 Avenue B West | 1324 Golden Eagle Lane |
| Bismarck, ND 58501 | Bismarck, ND 58501 | Bismarck, ND 58503 |
| Franklin G. Larson | David Borlaug | Jason Ryan Mitchell |
| 11686 River Rd | P.O. Box 492 | 1209 5 th Ave NE |
| Valley City, ND 58072 | 232 Coulee Drive | Devils Lake, ND 58301 |
| | Washburn, ND 58577 | |
| Jeffrey L. Anderson | Terry A. Fleck | Keith Trego |
| 901 Sims | 1859 Bonn Blvd. | 9100 Sycamore Lane |
| Dickinson, ND 58601 | Bismarck, ND 58504 | Bismarck, ND 58504 |
| Robert W. Seabloom | Thomas P. Hutchens | Richard E. Monson |
| 419 27 th Ave S. | 2424 Timberlane Place | 3434 114 th Ave SE |
| Grand Forks, ND 58201 | Bismarck, ND 58504 | Valley City, ND 58072 |
| Eric Bakke | Jesse Beckers | William B. Bicknell |
| 1924 Cottonwood | 624 6 th Ave NW | 4435 Riverbend Ln. |
| Grand Forks, ND 58201 | Valley City, ND 58072 | Bismarck, ND 58504-4250 |
| Kim C. Christianson | William E. Cornatzer | Erik Fritzell |
| 1006 W Ave C | 400 Restfull Dr. | 1073 Oxbow Ct. |
| Bismarck, ND 58501 | Bismarck, ND 58503 | Grand Forks, ND 58203 |
| Karen Kreil | David O. Lambeth | Paul H. Myerchin |
| 831 N. Mandan St | 417 Terrace Drive | 314 Browning Ave |
| Bismarck, ND 58501 | Grand Forks, ND 58201 | Bismarck, ND 58503 |
| David Nix | Eric Rosenquist | Charles Vasicek |
| 525 Dohn Ave | 1401 River Road | 1817 N Griffin St |
| Bismarck, ND 58503 | Center, ND 58530 | Bismarck, ND 58501 |
| William Price | Jennifer P. Kross | William F. Wagner |
| 2273 River Road | 320 17 th Ave NE | 863 52 nd Ave SW |
| Center, ND 58530 | Jamestown, ND 58401 | Hazen, ND 58545 |
| Joseph J. Cichy | Aaron Price | Genevieve Thompson |
| 1220 N Mandan St | 616 8 th Ave SE | 2802 Evergreen Road North |
| Bismarck, ND 58501 | Jamestown, ND 58401 | Fargo, ND 58102 |
| David A. Brandt | | |
| 8485 25 th St. SE | | |
| Buchanan, ND 58420 | | |
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PETITION TITLE

This initiated measure would add a new section to article X of the North Dakota Constitution creating the Clean Water, Lands and Outdoor Heritage Fund financed by five percent of the revenues from oil extraction and oil and gas production taxes. The fund would be used to make grants to public and private groups to aid water quality, natural flood control, fish and wildlife habitat, park and recreation

areas, and farm and ranch conservation. A nine-member governing board would be appointed by legislative leaders, the Governor, and the North Dakota Wildlife Society to serve three-year terms. The fund would be invested by the State Investment Board and the principal and income would be appropriated to the board to spend on programs it selected, subject to certain limitations.

FULL TEXT OF THE MEASURE

IF MATERIAL IS UNDERSCORED, IT IS NEW MATERIAL WHICH IS BEING ADDED. IF MATERIAL IS OVERSTRUCK BY DASHES, THE MATERIAL IS BEING DELETED. IF MATERIAL IS NOT UNDERSCORED OR OVERSTRUCK, THE MATERIAL IS EXISTING LAW THAT IS NOT BEING CHANGED.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. A new section to article X of the Constitution of North Dakota is created and enacted as follows:

- 1. To protect our clean water, lands, and outdoor heritage for the benefit of North Dakota citizens, five percent of total revenue derived from taxes on oil and gas production and five percent of total revenue derived from taxes on oil extraction must be transferred by the state treasurer to a special fund in the state treasury known as the clean water, lands and outdoor heritage fund.
- 2. The clean water, lands and outdoor heritage fund shall be used for grants to state agencies, tribal governments, local governments, political subdivisions and nonprofit organizations for the following purposes:
 - a. Protect, improve, maintain, and restore water quality through the restoration and protection of rivers, streams, lakes or other surface waters, groundwater, wetlands, grasslands, prairies, and forests;
 - b. Improve natural flood control through the restoration and protection of natural areas along rivers, streams, lakes or other surface waters, groundwater, wetlands, grasslands, prairies, and forests;
 - c. Protect, restore, and create wildlife and fish habitat on private and public lands through grassland, prairie, wetland, stream, lake and forest restoration, creation, and protection;
 - d. Conserve natural areas for people through the establishment and development of parks and other recreation areas; and
 - e. Encourage beginning farmers and ranchers and enhance working farms and ranches through conservation programs and conservation incentives.
- 3. A clean water, lands and outdoor heritage board is hereby created to oversee, govern, administer and distribute the clean water, lands and outdoor heritage fund. The clean water, lands and outdoor heritage board consists of nine citizen members who are qualified electors of the state not employed by the state or elected to legislative or state office. Each member shall have practical experience and expertise and demonstrated knowledge in the science,

policy, or practice of restoring, protecting, and enhancing groundwater, wetlands, prairies, forests, and habitat for fish, game, and wildlife. One member each shall be appointed by the North Dakota House majority leader and minority leader and the North Dakota Senate majority leader and minority leader. Four members shall be appointed by the Governor from a list of names submitted by the Game and Fish Director, and one member shall be appointed by the North Dakota Chapter of the Wildlife Society. The terms of these members will be three years, except the terms of the first board will vary and be drawn by lot to ensure that only three members be subsequently appointed each year. Board members may not serve more than three terms.

- 4. The board shall be appointed within ninety days of the effective date of this measure. Grant applications shall be considered within three hundred sixty five days of the effective date of this measure, and grant applications shall be considered at least annually thereafter.
- 5. All principal and income received from investments shall be utilized for programs in North Dakota and for the administration and monitoring of such programs, and such principal and income is hereby appropriated to the clean water, lands and outdoor heritage board on a continuing basis for expenditure upon those programs selected at the discretion of the clean water, lands and outdoor heritage board. No more than three percent of the funds available in a given year may be used for administration. No more than 50 percent of expenditures per biennium shall be for any one of the stated purposes. The dedicated money under this section must supplement traditional sources of funding for these purposes and may not be used as a substitute.
- 6. Each regular legislative session, the clean water, lands and outdoor heritage board must file a report to the citizens of the state at a public hearing before the standing natural resources committee of each house of the legislative assembly. The report must include a state auditor's report on the clean water, lands and outdoor he ritage fund for the previous two fiscal years.
- 7. Investment of the fund shall be the responsibility of the state investment board.
- 8. Statutory programs, in existence as a result of legislation enacted through 2011, providing for impact grants, direct revenue allocations to political subdivisions, and deposits in the oil and gas research fund must remain in effect but the legislative assembly may adjust statutory allocations for those purposes.
- 9. This constitutional provision shall be self-executing and shall become effective without the necessity of legislative action.

SECTION 2. EFFECTIVE DATE. If approved by the voters, this measure becomes effective for oil and gas produced after January 1, 2013, or the first day of a calendar quarter beginning after the date it is approved by the voters, whichever occurs later.

INSTRUCTIONS TO PETITION SIGNERS

You are being asked to sign a petition. You must be a qualified elector. This means you are eighteen years old, you have lived in North Dakota thirty days, and you are a United States citizen. All signers must add their complete residential address or rural route or general delivery address and the date of signing. Every qualified elector signing a petition must do so in the presence of the individual circulating the petition.

QUALIFIED ELECTORS

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| | E OF NORTH DAKOTA TY OF(county where signed) |)) ss.) | |
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| attache individ | ual whose signature appears on tl | presence; and that to the best of my knowled the attached petition is a qualified elector; and the genuine signature of the individual whose name | ge and belief each that each signature |
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| | | (signature of circulator) | • |
| Subsci | ibed and sworn to before me on _ | , 20,at | (city) , N.D. |
| (NOTA | | (signature of notary) Notary Public My commission expires: | |